

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Northampton Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 12, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a 7.5% investment return assumption (a reduction from the 2014 assumption of 7.75%).

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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# NORTHAMPTON CONTRIBUTORY RETIREMENT SYSTEM

## FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*
2018	1,510,022	50,496,495	4,345,623	74,689	5,930,334
2019	1,577,973	49,612,187	4,506,697	74,689	6,159,359
2020	1,648,982	48,488,402	4,673,761	74,689	6,393,819
2021	1,723,186	47,100,739	4,847,038	74,689	6,641,168
2022	1,800,729	45,422,728	5,026,761	74,689	7,154,237
2023	1,881,762	43,425,664	5,213,170	74,689	7,430,879
2024	1,966,441	41,078,431	5,406,515	74,689	7,718,439
2025	2,054,931	38,347,310	5,607,055	74,689	8,017,353
2026	2,147,403	35,195,774	5,815,059	74,689	8,328,073
2027	2,244,036	31,584,269	6,030,805	74,689	8,651,071
2028	2,345,018	27,469,974	6,254,584	74,689	8,986,838
2029	2,450,544	22,806,544	6,017,239	74,689	8,866,427
2030	2,560,818	18,048,503	6,236,868	74,689	9,208,155
2031	2,676,055	12,697,508	6,464,514	74,689	9,563,293
2032	2,796,478	6,700,469	6,700,469	74,689	9,932,374
2033	2,922,319	-	-	74,689	2,997,008

### Amortization of Unfunded Liability as of July 1, 2017

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2005	ERI-Housing	7,992	4.50%	24	14,009	11
2006	ERI-City	164,100	4.50%	23	275,269	11
2018	Fresh Start	4,056,345	3.65%	15	4,056,345	15

#### Notes on Amortization of Unfunded Liability

**Year** is the year the amortization base was established. **Type** is the reason for the creation of the base.

**Original Amortization Amount** is the annual amortization amount when the base was established.

**Percentage Increasing** is the percentage that the Original Amortization Amount increases per year.

**Original # of Years** is the number of years over which the base is being amortized. **Current Amortization Amount** is the amortization payment amount for this year. **Years Remaining** is the number of years left to amortize the base.

\* Includes recognition of the following asset gains/(losses) in Fiscal 2020 and 2022:

2020	\$ 38,092
2022	\$ (2,361,663)